

Appl. No. 09/927,462  
Amendment dated October 16, 2003  
Reply to Office Action of July 16, 2003

### REMARKS/ARGUMENTS

Claims 36-54 are currently pending. Applicant has canceled claims 1-35, without prejudice. Applicant's responses to the Examiner's rejections are set forth fully below.

The invention relates to a reward attributed to an account of a tagholder, where the tagholder is associated with both the tag and the account. The reward is based on the aggregate tag usage. This reward is separate from, and is determined independently of, the underlying account usage. Further, the reward is based on aggregate tag usage which may be accumulated based on the purchase of goods or services at multiple merchants.

#### **A. Omitted Information Disclosure Statement References.**

The Examiner has noted that copies of two articles and two international search reports listed on sheets 2, 3, and 4 of the Information Disclosure Statement filed on February 9, 2003 were not included, and have not been considered. See Office Action at 2, ¶ 2. Applicant will submit the required copies for consideration in a Supplemental Information Disclosure Statement.

#### **B. Claim Rejections Under 35 U.S.C. § 103.**

Claims 1-8 and 11-14, 19-36, 39-41, 44-47 and 50-54 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, Jr., USPN 6,078,888, ("Johnson") in view of Walker et. al., USPN 6,128,599 ("Walker"). See Office Action at 2, ¶ 4. Claims 9, 10, 42 and 43 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Akiyama, USPN 5,745,049 ("Akiyama"). See Office Action at 7, ¶ 5. Claims 15, 16, 48 and 49 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Ricci et. al., USPN 6,463,039 ("Ricci"). See Office Action at 8, ¶ 6. Claims 17, 18, 37 and 38 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Khan et. al., USPN 6,263,316 ("Khan"). See Office Action at 9, ¶ 7. Applicant respectfully submits that this rejection should be withdrawn as moot as applied to canceled claims 1-35. Applicant further submits that the cited references do not disclose each

Appln. No. 09/927,462  
Amendment dated October 16, 2003  
Reply to Office Action of July 16, 2003

and every limitation of claims 36-54, as originally written or as amended, and that this rejection should be withdrawn for failure to make a *prima facie* case of obviousness.

**1. Claims 36, 39-41, 44-47 and 50-54.**

Claims 36, 39-41, 44-47 and 50-54 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson in view of Walker. *See* Office Action at 2, ¶ 4. The Examiner concludes as the basis for this rejection that it would have been obvious for one of ordinary skill in the art to employ the method of "processing customized group reward offers" of Walker with the "tags . . . having association with a credit/debit card of Johnson." *See* Office Action at 4. Applicant submits that Johnson in conjunction with Walker does not disclose a reward attributed to a tagholder based on aggregate tag usage for a tag associated with the tagholder and an underlying account, separate from any reward that may be awarded based on the underlying account usage or that may be awarded by a particular business based on aggregate tag usage at that business.

**a. Johnson discloses a reward in a loyalty program based only on aggregate tag usage at the business that sponsors the loyalty program.**

The Examiner asserts that Johnson discloses a tag linked to a credit card to pay for services, goods and/or tolls that may be prefunded with a preset amount. *See* Office Action at 2-3, ¶ 4. The prefunded amount may be replenished if it reaches lower than a predetermined limit. *See* Office Action at 3, ¶ 4. According to the Examiner, the tag may be used in association with a loyalty program where customers collect bonus points based on the aggregate tag usage which can be redeemed for benefits or privileges. *See id.* The Examiner explains that different tags having different usages may be linked to a single credit card, which could result in accelerated accumulation of air mileages, purchasing gas at discounted prices, more charitable donations or the like. *See id.*

Johnson discloses a RFID device adapted to communicate with a POS device to provide secure transactions. *See* Abstract. The device communicates bi-directionally with the POS device, and the POS device communicates with a host network to provide authorization of the tag and carry out purchases or transactions. *See* col. 2 at lines 62-67. Each tag is provided a unique identifier, and the host network maintains account and financial information associated

Appln. No. 09/927,462  
Amendment dated October 16, 2003  
Reply to Office Action of July 16, 2003

with the tag having the unique identifier. *See* col. 3 at lines 12-15. The tag is authenticated using cryptographic techniques known only by the tag and the host, but not the POS device. *See* col. 3 at lines 22-24. This is done by encryption of a random number by the tag, where the POS device provides the random number, and transmission of the original random number and the encrypted random number to the host. *See* col. 3 at lines 29-36. The host encrypts the original random number, and compares it to the received encrypted random number. *See* col. 3 at lines 36-44. A positive match authenticates the tag. *See id.* Relevant to this rejection is the disclosure in Johnson that the tag may communicate with other sources, such as at a restaurant or other goods or services provider. *See* col. 2 at lines 22-34. These businesses may provide loyalty points that relate to the number of visits or amount of purchase at those businesses by the tagholder. *See* col. 2 at lines 34-41. These loyalty points may be stored and accumulated in a memory on the tag. *See* col. 4 at lines 25-36; col. 12 at lines 10-14. The tag of Johnson allows access to a plurality of accounts. *See* col. 2 at lines 17-21.

There is no disclosure in Johnson of a reward based on aggregate tag usage of a tag regardless of point of purchase, but rather discloses loyalty benefits awarded to a tagholder based only on aggregate tag usage at the business of the sponsor of the loyalty program.

**b. Walker discloses a reward attributed to an affinity group sponsor of an account.**

Walker discloses "an apparatus for providing and managing a customized reward offer to an affinity group sponsor based on the aggregate performance of members of the group." *See* Abstract. According to Walker, credit card accounts are often sponsored by an affinity partner, such as a trade group, an alumni association, a religious organization, a sports team or a professional association. *See* col. 1 at lines 30-39. The affinity group sponsor benefits from usage of the credit card accounts that belong to the affinity group partner that sponsors the account. *See* col. 1 at lines 23-29. In Walker, the reward provided to the affinity group may be based on aggregate performance data of the financial accounts controlled by members of the affinity group, or comparing aggregate performance of accounts controlled by members of the affinity group to a target performance. *See* col. 2 at line 50 to col. 3 at line 6. The object of the

Appln. No. 09/927,462  
Amendment dated October 16, 2003  
Reply to Office Action of July 16, 2003

invention of Walker is to promote the use of financial accounts and to allow a credit card issuer to tailor rewards provided to affinity groups. *See* col. 3 at lines 12-14.

The Examiner further asserts that Walker discloses a method for calculating and attributing a customized reward to an affinity group of credit card holders. *See id.* The affinity group or a member of the affinity group may receive a predetermined reward. *See id.*

There is no disclosure in Walker of a reward awarded to an accountholder based on aggregate account usage, or to a tagholder based on aggregate tag usage for a tag associated with an account.

**c. The reward of the invention is based on aggregate tag usage, and is attributed to the tagholder.**

Applicant respectfully submits that the invention of independent claims 36, 50 and 54 is distinguished from both Johnson and Walker. Johnson discloses loyalty program rewards redeemable at the sponsoring business by a tagholder based on aggregate usage of the tag only at that business. In contrast, the reward of the invention claimed in independent claims 36, 50 and 54 is based on the *aggregate* usage of the tag with multiple merchants. The Examiner has apparently equated tag usage with underlying account usage as the basis for the reward in Johnson. *See* Office Action at 3 (different tags may be linked to a single credit card account for accelerated accumulation of rewards).

That is one of the points of distinction between Johnson and the invention: tag usage vs. account usage are different bases to measure a reward. Underlying account usage, and any reward based thereon, does not necessarily equate to tag usage, and a reward based thereon, as noted by the cited references, and by the Examiner. The differences between basing a reward on *aggregate tag* usage, as compared to the underlying *account* usage, can be underscored by several examples. As Johnson expressly discloses, a single tag may be associated with multiple accounts. In that situation, *aggregate tag* usage would be greater than any one individual *account* usage, resulting in a tag-based reward but not necessarily an account-based reward for each associated account. Further, as noted by the Examiner, multiple tags may be associated with a single underlying account. *See* Office Action at 3. In this scenario, a transaction that results in an account-based reward does not result in a tag-based reward for every associated tag,

Appln. No. 09/927,462  
Amendment dated October 16, 2003  
Reply to Office Action of July 16, 2003

but rather only in a tag-based reward for the particular associated tag that was used in that transaction. In addition, a tag and an associated underlying account may have different sponsors or issuers, and two different rewards may accumulate from and be awarded by those two different entities.

Claims 36, 50 and 54 expressly claim that the reward is based on aggregate tag usage, and does not limit the reward to underlying account usage. Claims 50 and 54 expressly claim that aggregate tag usage comprises the purchase of goods or services from a plurality of merchants. Further, claims 41 and 53 have been amended to more particularly point out that the reward to the tagholder is distinct from any reward that may be based on *account* usage. The invention thus distinguishes from Johnson, which bases a reward on aggregate tag usage at a particular business only, or from the Examiner's reading of Johnson that a reward is based on aggregate underlying account usage.

The invention is also distinguishable from Walker, which discloses rewards provided to the affinity group sponsor of credit card accounts. The reward of the invention is attributed to the *tagholder* and not the *affinity group sponsor* of the underlying account.

Applicant respectfully submits that a combination of Johnson and Walker does not disclose each and every limitation of independent claims 36, 50 and 54. The combination of these references would not result in a reward attributed to a tagholder based on aggregate usage of the tag with multiple merchants, unrelated to aggregate underlying account usage or place of usage. These references therefore cannot support a *prima facie* case of obviousness against these claims, or dependent claims 39-41, 44-47 and 51-53 which depend from these claims.

## 2. Claims 9, 10, 42 and 43.

Claims 9, 10, 42 and 43 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Akiyama. *See* Office Action at 7, ¶ 5. The Examiner explains that Johnson and Walker disclose all of the elements of the claimed invention except for the plurality of tags and that the tags comprise an LED and LCD. *See* Office Action at 7, ¶ 5. According to the Examiner, Akiyama discloses a tag using LED and LCD, and that it would have been obvious to one of ordinary skill in the art to have substituted

Appln. No. 09/927,462  
Amendment dated October 16, 2003  
Reply to Office Action of July 16, 2003

the tag disclosed in Johnson as modified by Walker with the tag disclosed in Akiyama. *See id.* at 7-8.

Applicant respectfully submits this rejection should be withdrawn as moot as applied to now-canceled claims 9 and 10. With respect to claims 42 and 43, Applicant submits that Johnson in view of Walker and further in view of Akiyama does not disclose each and every element of independent claim 36, from which claims 42 and 43 depend. *See* Sec. B.1 *supra*. Therefore, this combination of elements cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

**3. Claims 15, 16, 48 and 49.**

Claims 15, 16, 48 and 49 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Ricci. *See* Office Action at 8, ¶ 6. The Examiner explains that Johnson and Walker disclose all of the elements of the claimed invention except for the plurality of tags and the mode of operation of the tags. *See* Office Action at 8, ¶ 6. According to the Examiner, Ricci discloses a tag that operates in full-duplex communications mode, and that transponders inherently operate in half-duplex mode communication type. *See id.* Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art to have incorporated the tag capable of operating in full duplex mode as disclosed in Ricci for the purpose of increasing the amount of data exchanged using the same amount of time. *See id.* at 7-8.

Applicant respectfully submits this rejection should be withdrawn as moot as applied to now-canceled claims 15 and 16. With respect to claims 48 and 49, Applicant submits that Johnson in view of Walker and further in view of Ricci does not disclose each and every element of independent claim 36, from which claims 48 and 49 depend. *See* Sec. B.1 *supra*. Therefore, this combination of elements cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

**4. Claims 17, 18, 37 and 38.**

Claims 17, 18, 37 and 38 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Khan. *See* Office Action at 9, ¶ 7. The Examiner explains that Johnson and Walker disclose all of the elements of the

Appin. No. 09/927,462  
Amendment dated October 16, 2003  
Reply to Office Action of July 16, 2003

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claimed invention except for the plurality of tags and that the tags comprise a sound-generating device. See Office Action at 9, ¶ 7. According to the Examiner, Khan discloses a transponder that comprises a sound generating device. See *id.* Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art to have incorporated the tag capable of generating an audible tone or message along with a visual message as disclosed in Khan. See *id.*

Applicant respectfully submits this rejection should be withdrawn as moot as applied to now-canceled claims 17 and 18. With respect to claims 37 and 38, Applicant submits that Johnson in view of Walker and further in view of Khan does not disclose each and every element of independent claim 36, from which claims 37 and 38 depend. See Sec. B.1 *supra*. Therefore, this combination of elements cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

#### CONCLUSION

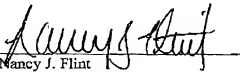
Applicant respectfully submit that claims 36-54, as amended, are in condition for allowance and earnestly solicits the same in view of the amendments and remarks made herein. This Amendment and Response has been submitted within three months of the mailing date of the Office Action, and it is believed that no fees are due upon filing. If any fees are determined to be due, please charge the fees to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

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